



June 30, 2007

Dear Citizens of Sandy:

We are pleased to present to you the approved budget for the 2008 fiscal year (FY). We began the process in December by getting input from a selection of you through a random survey. Together with the council members, we consider the citizen survey in conjunction with the input that we receive from individual citizens throughout the year. The next step in the process is to update the city's goals and objectives which we did early in February. These goals provide guidance to the departments and set the tone for the budget requests. Finally, the requests are viewed through the lens of our guiding financial principals to assure that progress will be viable and sustainable. The result is the budget transmitted herewith. The following illustrates how the budget establishes a financial plan that furthers each of the city's goals and continues to enhance the quality of life in our community.

Goal: Maintain and improve basic core municipal services – Sandy City continues to benefit from vibrant commerce and a strong tax base. As a result, this budget maintains the current property tax rate as one of the lowest municipal property tax rates of cities our size. The tax on telecommunications services decreases from 4.0% to 3.5%. It is worth noting that for the second year in a row, ongoing expenditures have been held in check to the extent now that \$2.6 million of ongoing revenue is being used for one-time projects. This both provides a cushion against an economic downturn and allows us to provide for infrastructure and facility needs without incurring debt. For additional protection from emergencies and financial disruptions, we have increased the general fund balance to \$5.5 million which is 11.5% of revenue.

The citizen survey reports that residents want to live in a safe, clean environment. Recently, Sandy City was recognized as the 26th safest city in America by Money Magazine and the 23rd most livable city by Morgan Quitno Press. We recognize that the core services we provide are critical in making this happen.

We continue to fund core services to that end. Additionally, we are funding one more snow plow to keep the roads and city parking lots safely cleared during snow storms. People are the strength of our public safety programs. Thus, we have added a fire captain position to replace one that was eliminated a few years ago. We also added another part-time crime prevention employee and a full-time CARI officer/youth court coordinator.

The events held in our community help bring people together and are another important core service. This budget funds four new events. The first is the continuation of the Christmas variety show that started in 2006. The second is a founders' day celebration that we hope to establish in historic Sandy. The third is financial support for a visual arts show at the Sandy Senior Citizens Center. Finally, we propose starting a balloon festival and have included funding to get that off the ground. To help

coordinate and manage these and other events, the budget includes funding to replace a seasonal position with a full-time community events coordinator.

As a final note, we continue to look at ways to make city services more environmentally friendly. The fleet budget includes funding to replace four of our vehicles with alternative fuel vehicles. We have also funded an inspector whose purpose is to prevent the discharge of pollutants in our storm water system. Another example is funding to retrofit the lights in our fire stations with fixtures that use less electricity. This retrofitted lighting is similar to efforts already made in other city facilities.

Goal: Maintain the integrity of residential neighborhoods and preserve property values – This budget includes matching funds for a historic preservation grant. We are also funding an initiative to buy and renovate problem properties in neighborhoods. We have budgeted \$500,000 in the capital projects fund that is intended to be a revolving account that will be replenished when homes are renovated and sold. We believe that a quality school system is one of the most important things that we can do to preserve our neighborhoods. Another major initiative for the coming year is to study the creation of a new school district of which more will be mentioned later.

Goal: Preserve and improve public infrastructure and transportation systems – We are currently improving the city's transportation system about as fast as we are capable of handling. Soon traffic delays on State Street will be replaced with an up-to-date roadway capable of handling the city's needs for years to come. Next in line will be the reconstruction of 1300 East. This budget includes \$1.7 million in funding to match a federal grant that will be used for this project. The budget also includes nearly \$1.6 million to match grant funding for the 20th East Corridor improvements that are being done in conjunction with the Point of the Mountain Aqueduct.

This budget also includes funding for our ongoing maintenance programs. There is more than \$2.1 million for street reconstruction and another \$641,000 to repair and replace hazardous sections of sidewalk. Included is \$300,000 for asphalt overlays on 106th South. Other funding addresses a traffic signal at Poppy Lane and an upgrade to the intersection at 90th South and 450 West.

Traffic enforcement is another important element of our transportation system. In the citizen survey, traffic consistently ranks as one of the top five issues facing the city and better traffic control ranks as one of the five major improvements desired. This budget includes additional funding to provide selective enforcement in problem areas. Also included is funding for additional speed measurement trailers. We also intend to treat with respect those who come to our justice center as a result of a traffic violation. Accordingly, we are adding an additional court clerk to enhance customer service.

This budget furthers the plan set in place years ago to secure ample water resources for Sandy's future. This is the seventh year of a 6.5% fee increase that funds this plan. A key part of the plan is a continued \$4.2 million assessment from the city's wholesale water provider Metro. The primary purpose of this assessment was to build a new treatment plant at the point of the mountain and an aqueduct to bring that water into our system. The aqueduct was recently completed. We are also pleased to report that we will begin construction on the Granite tank this year using a federal grant and city funding that was set aside in prior budget years. Also, this budget devotes \$1 million for ongoing replacement of mainlines which prevents damage caused through breakage and preserves our water distribution system.

Goal: Preserve and expand additional retail and clean commercial businesses – An important initiative this year is to support the development of the soccer stadium. Once the stadium is completed, additional commercial development in the area will follow. Further, stadium events will bring more commerce to area businesses. To assist in this effort, we have established a community development area (CDA) around the soccer stadium.

Goal: Develop and improve the city's recreational trails and increase recreational opportunities (i.e. provide park and green spaces for recreation activities and to enhance the environment) – As work on the ball fields and parks space at the northwest end of the Quarry Bend development nears completion, work will begin in earnest on the park development at the southeast end adjacent to the Sandy Amphitheater. Funding set aside in previous years will be used for this purpose. A trail with an impressive view of the city connects these two new pieces of the park system. Additionally, \$751,000 is set aside to begin work on the Quail Hollow Park, \$150,000 is included to expand the parking at Lone Peak Park, and \$133,000 is earmarked for expansion of the Bonneville Shoreline and other trails.

Goal: Address the needs of our youth – A major initiative in this budget includes \$4.9 million of funding to begin two community centers. The first involves the expansion of the Alta Canyon Sports Center to include gymnasium space and office space for our Parks and Recreation Department. Once the parks offices are moved to this new facility, a second community center is planned for historic Sandy where the parks and recreation offices are currently located. These community centers will serve a variety of needs but particularly address the needs of our youth. City recreation programs serve the youth of our community in a variety of ways. These community centers will also address needs met by after school programs that heretofore have been served by the Boys and Girls Club. Another major initiative aimed at the youth in our community will be to complete the process to determine whether to create a new school district in conjunction with Draper, Alta, Cottonwood Heights, Midvale, and Salt Lake County. Funding to study this issue was approved during fiscal year 2007.

Goal: Develop and maintain community facilities – The budget includes funding for other city facilities as well. \$300,000 is included for maintenance and renovation projects associated with City Hall and the building currently used by the University of Utah Extension. An additional \$200,000 is budgeted for the Public Works Facility. Finally, plans continue to construct a building for the Public Utilities Department. The FY 2008 budget includes \$1 million of new funding. We anticipate that this project will cost approximately \$4 million total using current and future funding.


Goal: Strengthen communications with citizens, businesses, and other institutions – The communications plan funded in last year's budget is nearing completion. This new budget includes funding for a webmaster who will be charged with making the city's web page a better way to get information about the city and conduct business with city departments. Also in the budget is \$50,000 to explore the opportunity to extend wireless internet service throughout the city.

Goal: Maintain a highly qualified and motivated employee workforce – The citizen survey revealed that satisfaction with city employees is at an all time high. This budget is attentive to maintaining this quality workforce. The compensation plan addresses problems that departments have had hiring seasonal employees by increasing wages to more competitive levels. All employees will be eligible for a 3% adjustment to address cost of living and market increases. Moderating utilization of health and dental

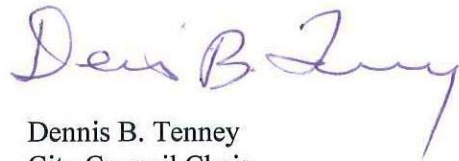
services has allowed the health insurance benefit to continue with little change at a modest increased cost to the city of 3%. The city's workforce is recognized as one of the safest in the state. This budget includes funding to further protect employees through efforts to test for hepatitis, to provide flu vaccines, and to install better diesel exhaust systems at fire stations. Funding has also been added to address the education and training needs of our employees.

As we embark on a new fiscal year, we are enthusiastic about the opportunities made possible through the budget. Adherence to sound financial principles and a strong economy makes it possible to progress on the goals that will continue to make Sandy one of the best places to live anywhere. We look forward to another successful fiscal year.

Respectfully,



Thomas M. Dolan
Mayor



Dennis B. Tenney
City Council Chair



Byron D. Jorgenson
Chief Administrative Officer